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S E C R E T SECTION 01 OF 02 BAKU 000661

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TAGS: [PREL](#) [PGOV](#) [PINR](#) [ECON](#) [EPET](#) [AJ](#) [IR](#)
SUBJECT: THE IRANIANS ARE COMING

REF: BAKU 443

Classified By: CHARGE D'AFFAIRES JASON P. HYLAND FOR REASONS 1.4 (B) AND (D).

¶1. (C) SUMMARY: According to rumors, press reports and Azerbaijani government officials, an increasing number of Iranians are moving to Azerbaijan and buying property here. Most -- but not all -- of these Iranians are ethnic Azeris. Although some portray this as nothing more than Iranians trying to make money in Azerbaijani real estate, or perhaps to enjoy a more liberal environment than Iran, many attribute the alleged migrations to rising tensions between Iran and the United States and the fear that the United States will attack Iran. Evidence for this slow migration is largely anecdotal, but the number of apartments in Azerbaijan purchased by Iranians has increased. It has become less difficult for Iranians to come to Azerbaijan, as travel requirements and visa restrictions had been eased, and flights and passenger sailings have increased, and projects aimed at connecting the two countries have continued. END SUMMARY.

MORE IRANIANS MOVING TO AZERBAIJAN...

¶2. (S/NF) Deputy Prime Minister Ali Hasanov told emboffs that a large number of Iranians, largely ethnic Azeris, were traveling to Baku because they feared U.S. attacks on Iran. Hasanov said that ethnic Azeris were among the first groups drafted for the Iran-Iraq war and fear that they will be the first called up to defend Iran against any U.S. attack. When pressed for more information, Hasanov would not provide numbers. SIMO contacts at the Ministry of National Security have reported similar information but also have been unable to provide concrete numbers. An independent political analyst estimates that there are currently 50,000 Iranian families resident in Azerbaijan (reftel).

¶3. (SBU) Other information points to an increase in the number of Iranians present in Azerbaijan. A Technikabank (local private bank) representative told us that wealthy Azeri-Iranians have been coming to Azerbaijan, and Baku in particular, over the past several months to buy land. Some buy apartments as investments, either reselling them as the real estate market continues to appreciate or leasing them out since the rent in Azerbaijan is higher than in Iran. The local press has reported this information as well, speculating that the rush of Iranians buying apartments has driven the average price of a three-room apartment in Baku

from USD 22,000-23,000 to USD 35,000-40,000 over the last 12 months. Separately, the website of the London-based Institute for War and Peace Reporting quoted several experts as saying that in 2005 the number of Iranians applying for refugee status in Azerbaijan was ten times the 2004 figure, rising from 14 to 147.

¶4. (SBU) While the media also has reported that Iranians are buying up real estate in the Azerbaijani exclave of Nakhchivan, the UNHCR Senior Protection Officer, who recently returned from a trip to Nakhchivan, said that based on his visit to the main border checkpoint, Iranian travel to the region is "normal" and that he did not notice an increase. He also stated that the Nakhchivan authorities claim there is no new influx from Iran.

...AS TRAVEL BECOMES EASIER

¶5. (U) Recent improvements in travel links between Azerbaijan and Iran, as well as a changes in the visa regime, have made it easier for Iranians to travel to Azerbaijan. A new seaport passenger terminal will open in Baku on May 10 and is expected to handle two or three passenger ships per week, both to and from Iran. Iran Air has increased the number of flights between Tehran and Baku from one flight weekly to two, based on indications that the passenger flow on the route is rising sharply. (AZAL airlines currently operates four weekly flights between Baku and Tehran.)

¶6. (U) In a recent interview with ANS Television, Iranian Ambassador to Azerbaijani Soleymani previewed further

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improvements in the two countries' transportation network. According to Soleymani, the Gazvin-Rasht railway is under construction and both countries are trying to speed up completion of the rail line from Astara, Azerbaijan to Astara, Iran (currently the Azerbaijan portion of this railway ends 15 km short of the border). An additional USD 10 million is needed to complete this project. Iran has also provided USD 2 million to Azerbaijan for developing a Baku-Astara Highway. Soleymani said that sixty percent of the planning has been completed thus far and the remaining forty percent will be completed in five to six months. Furthermore, there is a working group which will discuss the opening of new customs posts in the Azerbaijani town of Bilasuvar, another Iran-Azerbaijan border crossing point.

¶7. (U) Soleymani also confirmed that visa requirements have been eased. In his ANS interview, Soleymani said that during the Iranian Foreign Minister's last visit to Azerbaijan, the Government of Iran and the GOAJ signed an agreement simplifying the entrance and exit visa procedures between the exclave of Nakhchivan and Iran. Under this agreement, Nakhchivanis will receive a free three-month, multiple entry visa to Iran and vice versa. Also, citizens of either country who live 45 km or less from the border towns will be able to cross at least four times a year without a visa and up to six times a year. Lastly, every Azerbaijani who is traveling to Tehran will be able to obtain an airport visa on arrival. However, Azerbaijan will continue to require visas in advance for Iranians flying into Baku. Soleymani clarified that in order for the agreement to be implemented Iran needs an official note from the Azerbaijani MFA.

COMMENT

¶8. (C) While we have been unable to pin down concrete information on the numbers of Iranians traveling to Azerbaijan, it is clear that there has been an increase recent months. At this point, it is impossible to know whether that increase is due to the many family and business

ties between these neighboring states, fears of military action in Iran, or simple eagerness to make a quick profit in Azerbaijan. The growing transportation links and eased visa regimes, however, will ensure that this trend continues.

HYLAND